

**CALL NO. 08-4
FOR PROFESSIONAL SERVICES
TO BE PROVIDED TO THE
CITY OF SANTA CLARA, CALIFORNIA
BY FLYNN RESOURCE CONSULTANTS, INC.**

The Parties to this Call No. 08-4 ("Call") agree that on this _____ day of _____, 2008, this Call is made pursuant to the terms of a Call Agreement between the Parties entitled, "Call Agreement by and Between the City of Santa Clara, California and Flynn Resource Consultants, Inc.," dated February 21, 2006, the terms of which are incorporated by this reference. This Call describes the Services to be provided to the City of Santa Clara, California ("City") by Flynn Resource Consultants, Inc. ("Contractor"), which are more fully described in Contractor's proposal to City entitled "Federal Energy Regulatory Commission Litigation Support" dated August 14, 2008 ("Proposal"), attached to this Call as Exhibit A and incorporated by this reference. The Services to be performed under this Call shall be completed within the time period beginning on October 15, 2008, and ending on June 30, 2009. The attached Proposal contains a complete description of the Services, and performance dates for the completion of such Services, to be performed by the Contractor under this Call. In no event shall the amount paid to the Contractor for the Services provided to City by the Contractor under this Call, including all fees or pre-approved costs and/or expenses, exceed five hundred thousand dollars (\$500,000.00), subject to budgetary appropriations.

The Parties acknowledge and accept the terms and conditions of this Call as evidenced by the following signatures of their duly authorized representatives.

**CITY OF SANTA CLARA, CALIFORNIA,
a chartered California municipal corporation**

Approved as to Form:

HELENE L. LEICHTER
City Attorney

By: _____
JENNIFER SPARACINO
City Manager

Attest:

ROD DIRIDON, JR.
City Clerk

1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

**FLYNN RESOURCE CONSULTANTS, INC.
a California corporation**

By: 
BARRY FLYNN

Title: President

Address: 5440 Edgeview Drive
Discovery Bay, CA 94514

Telephone: (925) 634-7500
Facsimile: (925) 513-1475

Scope of Service

Federal Energy Regulatory Commission Litigation Support for Silicon Valley Power

August 14, 2008

1. Overview

This document outlines the scope of services for Flynn Resource Consultants Inc. (Flynn RCI) to support Silicon Valley Power's (SVP) litigation activities at the Federal Energy Regulatory Commission (FERC). SVP has been actively pursuing protecting its rights to the California Oregon Transmission Project (COTP) and its allocation of the Western Base Resource in the California Independent System Operator's (CAISO) Integrated Balancing Authority Area (IBAA) proposal. The CAISO, on June 17, 2008, filed an amended IBAA proposal at FERC, where the IBAA filing further affects the value of those rights by increasing the cost to import power from the northwest and from the Western/SMUD Balancing Authority Area. The IBAA filing also could negatively affect SVP as a CAISO market participant by creating inaccurate price signals, leading to market price uplift charges. SVP also is in the process of renegotiating its Metered Subsystems Agreement (MSS) with the CAISO in order to have it updated in accordance with the CAISO's Market Redesign and Technology Upgrade (MRTU), which SVP expects CAISO to file at FERC 60 days in advance of implementation of the MRTU project. The CAISO will file a restated and amended MSS with the FERC whether or not SVP is in agreement with the provisions contained in the revised MSS. These FERC proceedings have the potential to significantly affect the value of SVP's resources and the cost to serve SVP's customers in Santa Clara.

In the following two sections we describe the FERC litigation support services to be provided by Flynn RCI and the Flynn RCI budget for the proposed scope of services.

2. Task Description

Flynn RCI will provide FERC litigation support services related to the IBAA proceeding, the MSS agreement, the CAISO's MRTU project, and other FERC proceedings that might affect SVP's rights or its ability to serve its customers at reasonable cost. Under the direction of SVP's staff and counsel, Flynn RCI will review and analyze FERC filings, provide independent analysis, coordinate with other affected entities, participate in settlement meetings and stakeholder meetings, assist in drafting pleadings and agreements, provide expert testimony, participate as witnesses and take part in depositions (as required) and provide general support for SVP's interests in the FERC proceedings.

3. Budget

Flynn RCI will perform the tasks as directed by SVP's division manager and legal counsel on an as-needed basis and will keep SVP's division manager and legal counsel informed through telephone and/or email communications on an ongoing basis. At the division manager's request, Flynn RCI will provide Project Status Reports describing the work performed to-date and expected future work. Depending on the extent of potential current and future litigation efforts, the costs expended through June 2009 could accumulate to an amount as high as \$500,000.

Flynn RCI hourly rates for professional services are listed below:

Labor Category	Key Personnel	Hourly Rate
Principal	Doug Boccignone Barry Flynn	\$260 per hour
Senior Consultant – Power Engineer	Eric Law	\$225 per hour
Senior Consultant	Ed Chang John Ulrich Pushkar Wagle Kevin Wright	\$205 per hour
Consultant		\$180 per hour
Associate Consultant	Mike Mace	\$160 per hour
Analyst		\$105 per hour
Office Support	Tricia Tom	\$55 per hour

All travel, food, and miscellaneous expenses, except automobile mileage, associated with the provision of services hereunder shall be billed at cost. Automobile mileage will be billed at the rate approved by the Internal Revenue Service. Extraordinary expenses, e.g. specialized software, may be billed with prior approval of SVP's division manager.